

Underground Storage Tank Cleanup Fund (USTCF) Update

March 6, 2018 – Item 7

**Diane Barclay, P.G.
Cleanup Fund Manager**

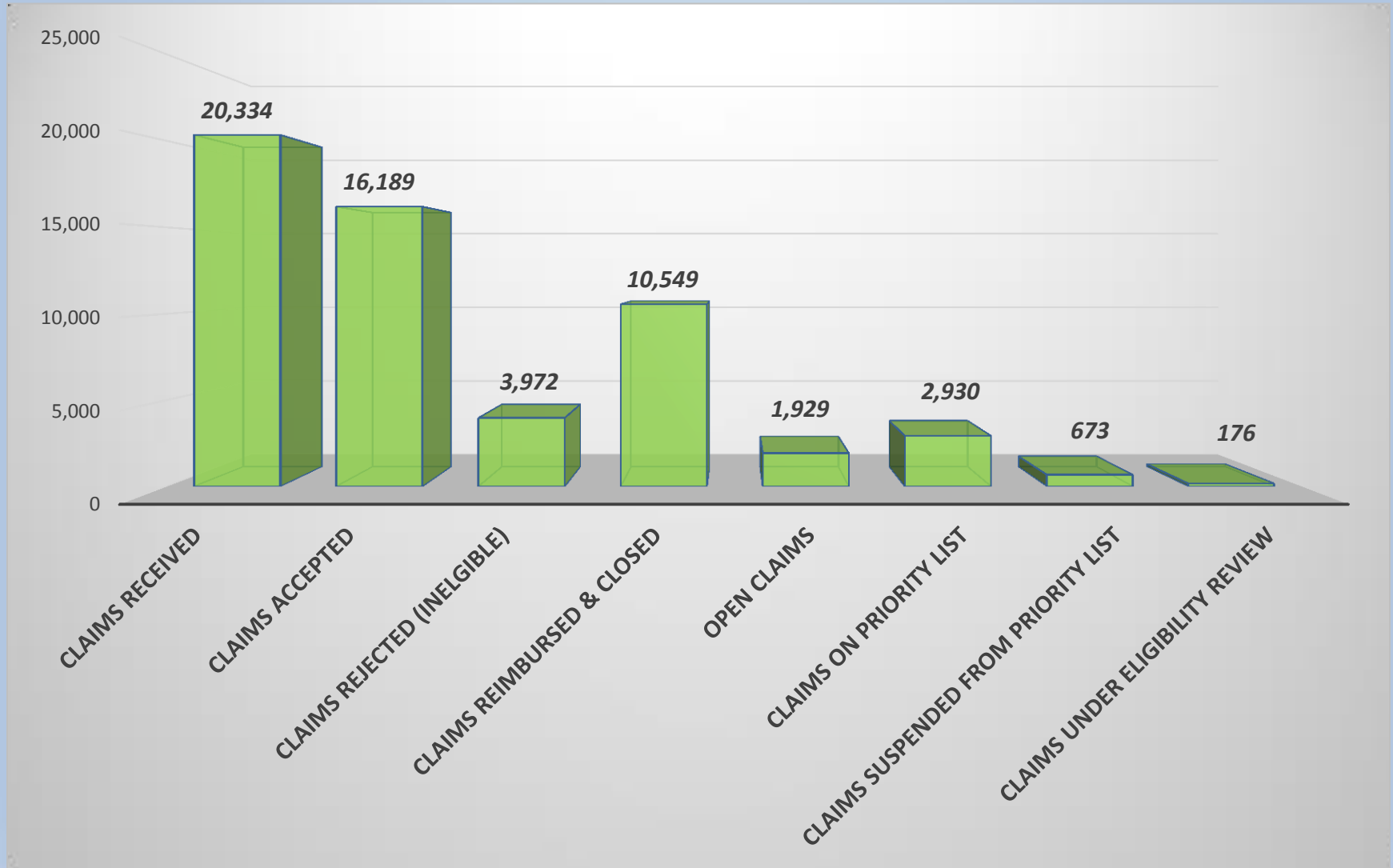


Presentation Overview

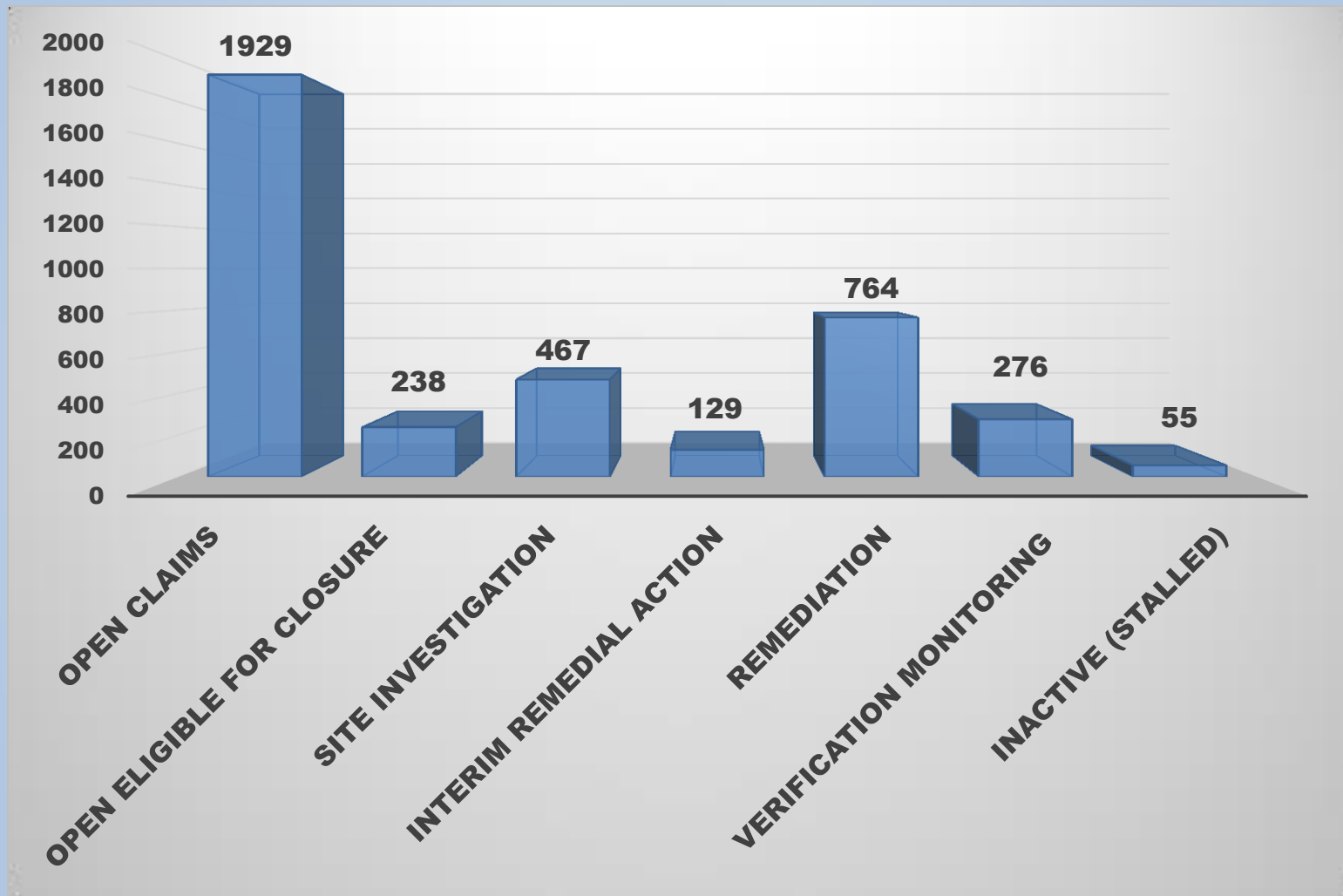
- **USTCF Claim Statistics/Status**
- **Reimbursements and Demand**
- **Payment Challenges/Improvements**
- **Appeal Response Plan**
- **ECAP Status**
- **SCAP Status**
- **Questions?**



USTCF Claim Statistics



USTCF Open Claim Status



Reimbursements

- Approximately 3,500 requests for reimbursement (RRs) received annually
- Processed ~4,800 RRs in 2017
- Currently processing March 2018 RRs



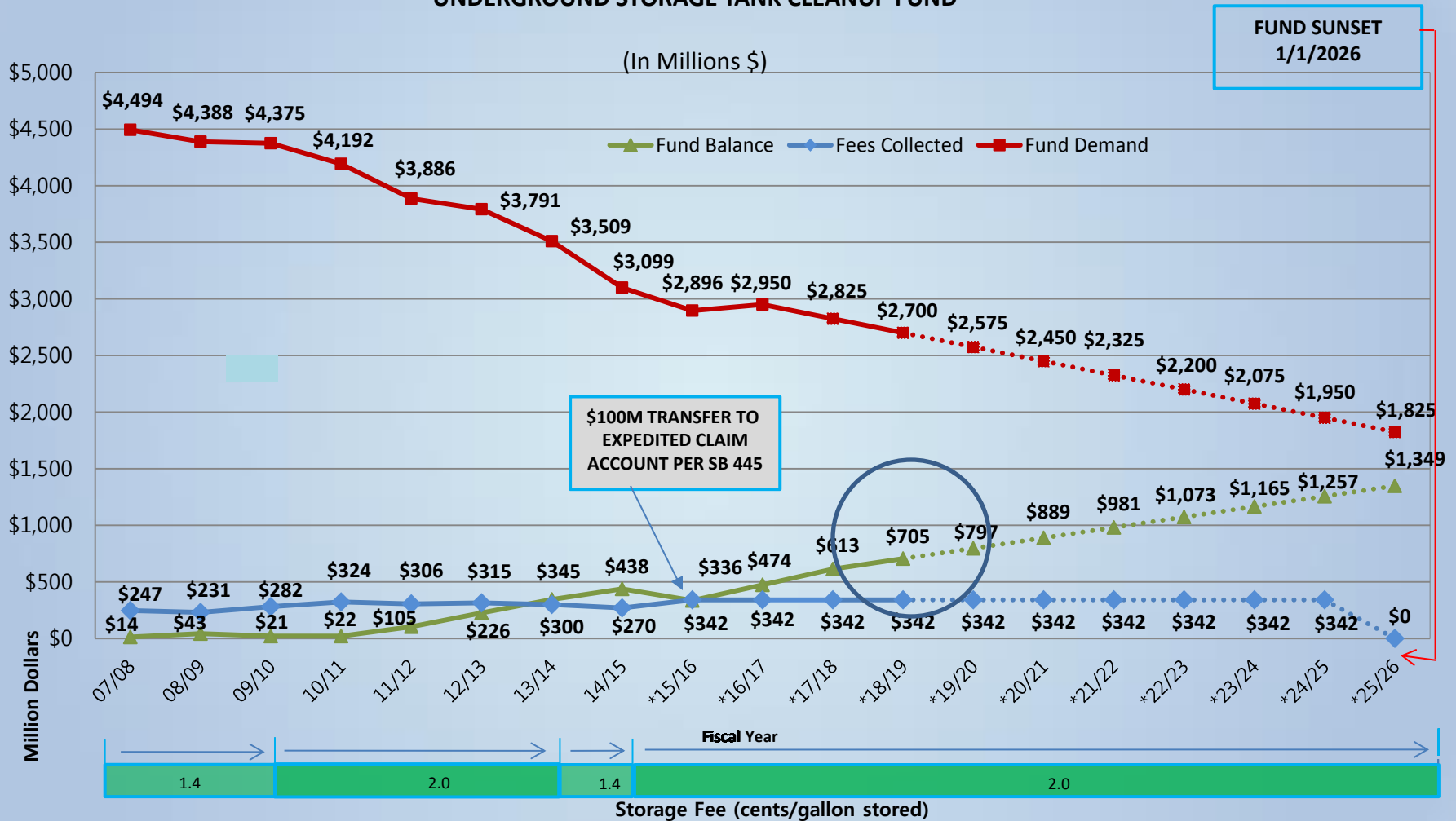
Reimbursements

- Reimbursed \$3.6 billion since 1992
- Expect ~\$1.6 billion available for reimbursement through 12/31/2025
(USTCF sunsets 1/1/26)



Fund Balance vs. Demand

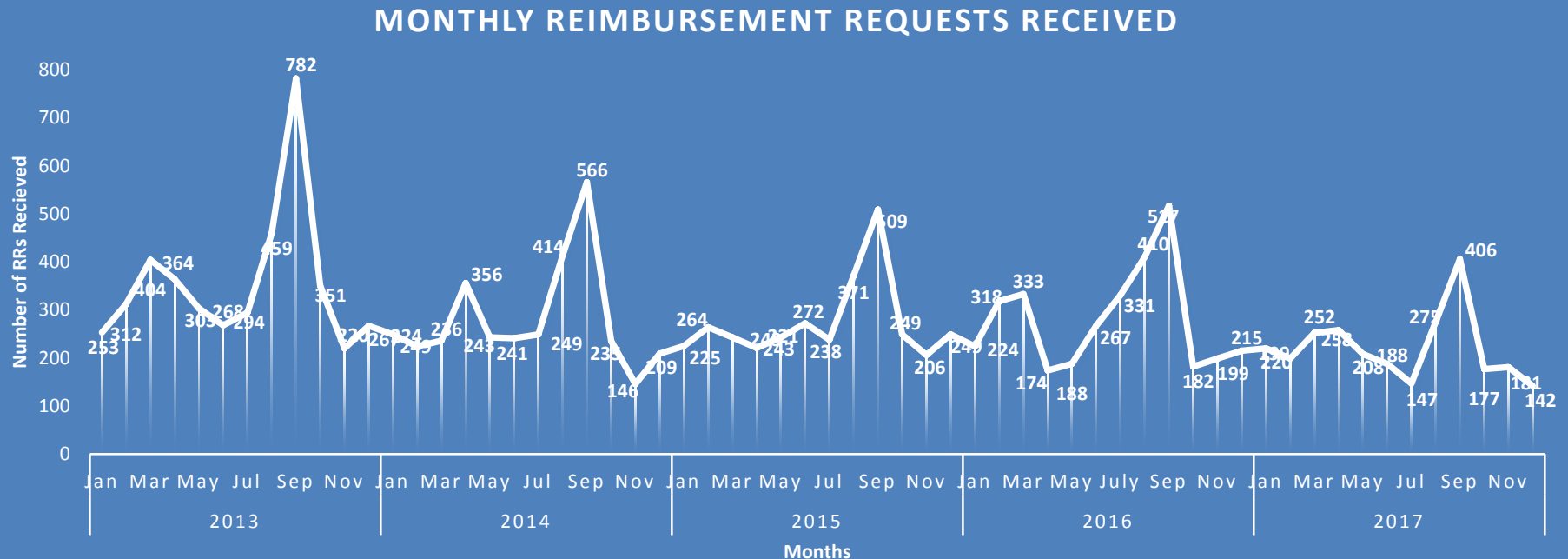
UNDERGROUND STORAGE TANK CLEANUP FUND



Payment Challenges

August/September Influx:

- USTCF receives ~750 – 800 RRs (25% of yearly total)
- Prepare for increase



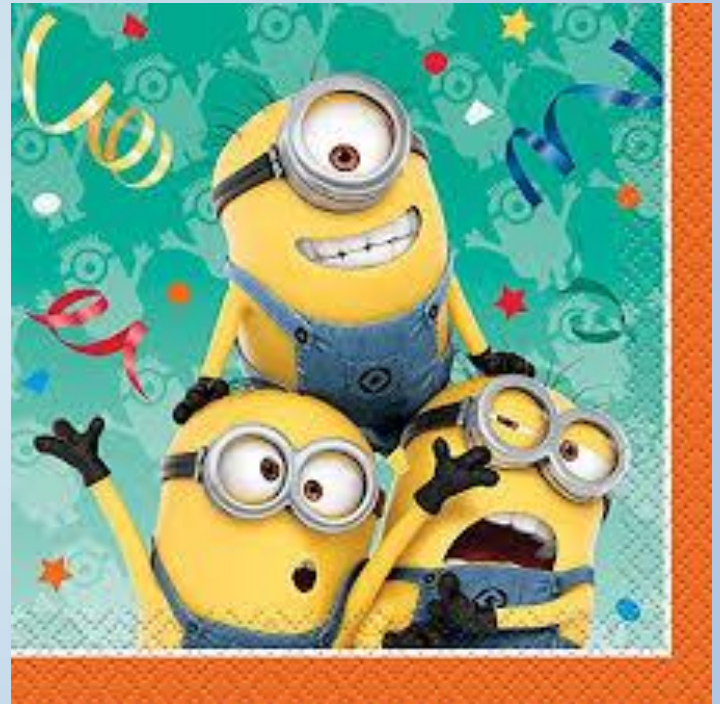
Payment Improvements



- 95% of RRs submitted electronically
- Some ineligible costs caught pre-upload
- Electronic submittals allow reviewers to better match tasks to invoices

Payment Improvements

- Additional staff and focused process improvements have greatly reduced processing times & backlog of RRs
- RRs reviewed by USTCF within month received as of February 1, 2018



Appeal Response Plan

- Backlog of approximately 190 appeals
 - Appeals divided into six groups with projected deadlines for completion
 - Goal of completing 40 appeals per month with 10 tech staff
- Estimate being current by January 2019

Expedited Claim Account Program (ECAP) Status

- 131 claims in ECAP as of December 2017
- \$5.5 Million reimbursed in FY 2016/2017 (153 reimbursement requests)
- \$2.6 Million reimbursed to date in FY 2017/2018
- Closure initiated on 16 ECAP sites (including 9 Pilot Project sites)
- Pilot Project Report was posted on the USTCF's website December 29, 2017.



Results of ECAP Pilot Project Study

- Average cost savings of \$95,763/claim
- Average time savings of 11.7 months/claim
- \$585,434 reimbursed in FY 2017 to the 40 claims
- Faster technical review of reimbursement requests
- Fewer ineligible costs
- No appeals



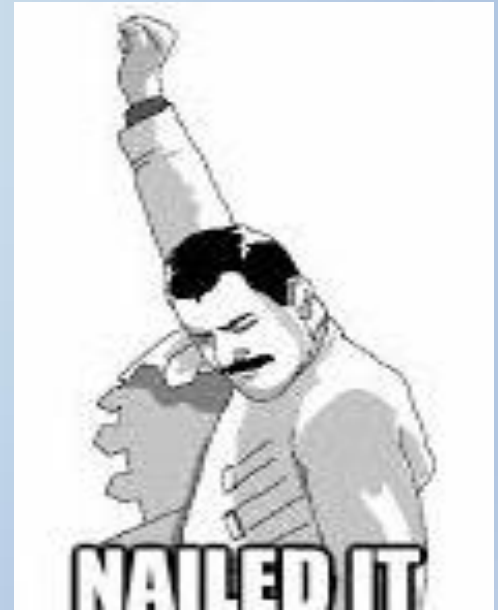
Long-Term ECAP Projections

- 75% of Pilot Project cases to initiate closure within 2 years
- 92% of Pilot Project cases to initiate closure within 5 years
- \$100 Million could provide reimbursement for several hundred more claims



ECAP Summary

- The Pilot Project demonstrated that the ECAP process is an effective and efficient way to reduce the costs and time to bring a UST case to closure.
- As ECAP continues, average cost and time to closure will decrease.
- Newer claims will see the most cost and time savings.



Site Cleanup Subaccount Program (SCAP) Status

- 189 applications reviewed since inception
- 47 projects funded as of January 2018
- Over \$24 million in awards
- 35 grant-funded projects now in progress



SCAP Status

- 12 Regional Board contract-funded projects slated for kickoff in early 2018
- Invoice reimbursement turnaround is 45-60 days
- Pre-applications are accepted continuously

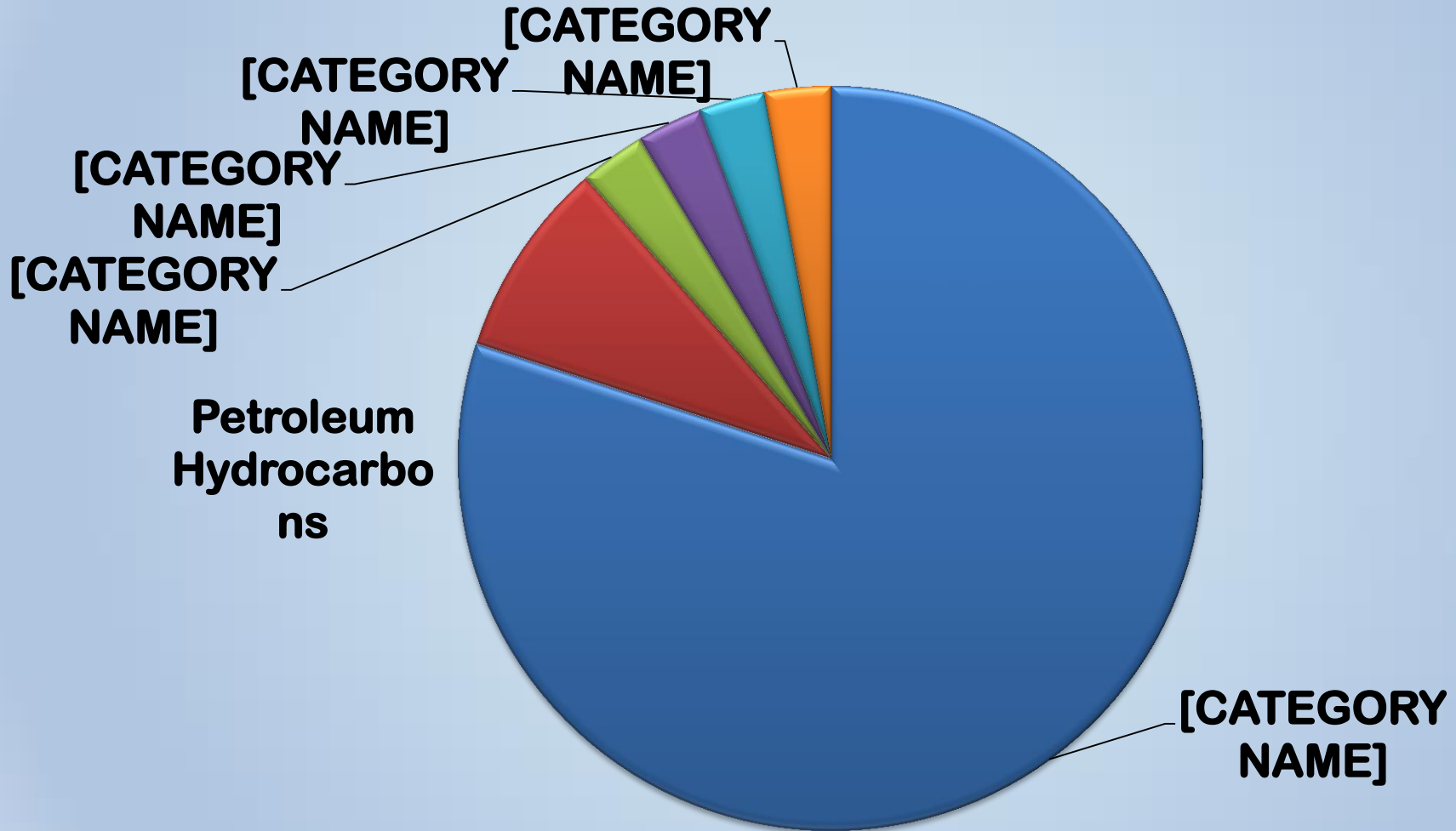
SCAP Funding Status

FY	Appropriation Amount	Amount Encumbered
2015-2016	\$22,221,000	\$22,221,000
2016-2017	\$17,283,000	\$3,451,438
2017-2018	\$17,283,000	\$0

Average project budget: \$773,000

Amount reimbursed through November 2017:
\$1.75 Million

SCAP Projects by Contaminant Class



Emerging Trends

- Projects for which enforcement is warranted - recalcitrant RPs
- Ability to pay complexities
- Projects without directives from a regulatory agency



Upcoming for SCAP

- 💧 44 additional projects now in development for approval & funding
- 💧 SCAP staff conducting follow-up visits to project sites
- 💧 Department of General Services (DGS) contract startup for 12 Regional Board projects

A horizontal banner with a colorful geometric pattern of triangles in shades of orange, yellow, green, and grey. The text "UPCOMING EVENTS" is centered in white, bold, uppercase letters.

**UPCOMING
EVENTS**

Questions?

